DOCUMENT RESUME

ED 181 498 CS 502 753

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TITLE New Technology and the Merging Media--A Time for Imagination.
PUB DATE 7 Nov 79
NOTE 12p.; Address presented at the Annual Meeting of the Audit Bureau of Circulations (New Orleans, LA, November 7, 1979)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Civil Liberties; *Federal Regulation; Information Dissemination; Information Systems; *Mass Media; *Media Technology; Quality of Life; *Technological Advancement; *Telecommunication
IDENTIFIERS *Federal Communications Commission

ABSTRACT

The merging of print, broadcast, mobile, and common carrier communications services offers a challenge to federal regulatory agencies. A cause for concern that the information distributed must be as untarnished and unencumbered as possible and must afford the ultimate consumer the widest assortment and the greatest discretion over its interpretation and use. The information industry is being dramatically transformed by new technology. Emerging issues include the deregulation of satellite receive-only earth stations; the development of technologies like fiber optical cable, cellular mobile radio, video discs, and advanced satellites; the nature of government involvement in future forms of communications such as videotext systems; and the security of individual privacy in a new information empire. Efforts of governmental agencies like the Federal Communications Commission must be directed toward identifying future problems brought about by the technological progress of the communications industry. (AEA)

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ED181498

FOR RELEASE UPON DELIVERY
WEDNESDAY, NOVEMBER 7, 1979
12:30 P.M. C.S.T.

23158

"New Technology and the Merging Media -- A Time for Imagination"

An Address By
Charles D. Ferris
Chairman, Federal Communications Commission

Before the
Luncheon Meeting
of the
Audit Bureau of Circulations Annual Meeting

Grand Ballroom, Royal Sonesta Hotel
New Orleans, Louisiana

Wednesday, November 7, 1979
12:30 P.M. C.S.T.

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It is always a pleasure to come to New Orleans. But particularly so to be at a meeting of so many with such common interest in the information business but yet not under the regulatory ambit of the FCC. It is a scarce but delightful experience for me to give a talk without the prospect of each thought, even each sentence and word, being interpreted for its design to raise or lower the anxiety level of those we license.

We have much in common; your organization seeks to assess what has been of interest to the public in a segment of the print media; my job is to attempt to determine what is in the public interest, what circumstances would justify government involvement in a thriving and diverse private electronic communications industry.

But even beyond our common professional responsibilities, as citizens we all share a concern that the information distributed be as untarnished and unencumbered as possible, and that it affords the ultimate consumer the widest assortment and the greatest discretion over its interpretation and use.

It does not surprise me that we have such a common ground for discussion. For you know as well as I that the information industry is truly a huge enterprise. Information services today, by some figures, account for over half of our gross national product. That is the kind of statistic that catches people's attention--or at least should.

In fact, that is the reason I am here today--to engage your attention and imagination on some of the emerging issues. The information industry is not only being dramatically transformed by new technology, but in a real sense it is the new technology. But the old adjust slowly,

whether they be dated methods of information transfer or regulatory structures and strictures created in another era. Historic distinctions between electronic media like the telephone and television and print media like newspapers and magazines are breaking down and fading away. These changes promise to bring you and me closer together as we search for ways that our nation's media can blend together constructively, hopefully preserving the best of each.

Some of these trends are already evident in areas within our concern. The FCC does not have direct jurisdiction over many aspects of the communications industry, such as the computer industry or the print media. But our jurisdiction ranges widely over fields that will have an effect on the way both the computer and print industries develop.

For example, at the most immediate level, the newspaper industry will be an early beneficiary of our recent deregulation of satellite receive-only earth stations. This will permit lower cost use of satellite communications for the national newswire services like AP and UPI, which have been contemplating just such a step. This domino effect, this far-reaching impact of our actions, makes our task as complex as it is important.

Adding to the complexity is the fact that traditionally the FCC has applied different regulatory approaches to different media. The FCC rules draw careful distinctions between common carrier services--like telephones and satellites--and broadcasting by television and radio.

Our concern in the common carrier field has been that the rates carriers charge are reasonable and the access they provide their customers is equitable. That is different from our treatment of broadcasting where, because of our sensitivity to the First Amendment rights of broadcasters, we do not normally regulate the advertising rates they charge to individuals or the access they may have.

Broadcasters, however, are treated differently under the First Amendment from those who convey information by print. Since they are not the owners but licensees of the public airwaves, they are required by law to act as public trustees. Certain rules have been adopted for broadcasting that are intended to insure some degree of access to diverse speech by listeners, who have been held also to have First Amendment rights in a free marketplace of ideas.

Congress has established the Fairness Doctrine, for example. This rule requires broadcast licensees to cover controversial issues of public importance, and to do it in a balanced way. But print media are given absolute discretion to cover any issue they wish or to ignore them all and provide pure entertainment. They can run one-sided ads without any obligation to accept opposing views from those who want to buy space.

We have grown so accustomed to this system of classifying communications services that the very organization of the FCC reflects these divisions, with separate bureaus to deal with common carriers and broadcasters.

Today, however, forty-five years after the categories of common carriers and broadcasting were first established, events are quickly making these classifications unwieldy, if not sometimes incoherent. A new era in communications is beginning--a time when traditional concepts are being blitzed by a revolution in the technology by which we communicate.

New technologies like fiber optical cable, cellular mobile radio, video discs, and advanced satellites seek entry into the marketplace, and the regulatory apparatus strains to find ways to fit them into our existing categories or to devise exceptions when they do not fit.

How should we characterize the technology of direct satellite transmission of video programming into viewers' homes? Is this simply the space-borne equivalent of local television stations, or of our national TV networks?

Is a cable television operator who transmits another company's programs by wire a common carrier, subject to rate and access regulation? Or is it a broadcaster, with much greater discretion over rates and access to communications, but also subject to the Fairness Doctrine and other programming duties?

Faced with questions like these, it seems at times as if we are squeezing the square peg into a round hole, when we should be redesigning the game.

The questions we must face in redesigning our regulatory structure are more fundamental than redesigning the structure of the FCC. Such a change will be no more than a shell game unless we can first address more basic issues. These questions are more than just

intellectually intriguing. They go to the heart of what the nature of government involvement in communications will be in future decades.

One such question is raised in its starkest form by the merging of print and electronic displays on TV sets in the systems known variously as "teletext" and "viewdata." These terms refer to systems where people can get instant access to up-to-date news, stock quotations, sports and other information simply by turning on their television set. Teletext transmits this information over the air using the TV signal and equips the TV set to pick it up. Viewdata systems connect the set directly to the information base by telephone lines. Both are described by a single heading--"videotext."

When our television sets become the receivers and our phone lines the transmitters of information that we would expect to find in newspapers, what should the role of government be?

This is more than idle speculation. The technology that will permit entire copies of the New York Times to be transmitted electronically into American homes already exists. It is, in fact, in various stages of use in England, France and Canada. The Knight-Ridder newspaper chain is planning a demonstration project in this country in Miami. Using only a modified color TV set, a pocket calculator-sized keyboard, and a small adapter to connect the set to normal telephone lines, this system offers information possibilities limited only by our imagination.

At the same time that our imagination is directed to developing videotext systems, it must also be harnessed to rethinking our regulatory views. Is this system, when it uses the lines of a TV signal for

transmission, to be considered part of our broadcasting system? Should we impose on those who provide teletext information the unique obligations on content that we have imposed on television stations?

As to both over-the-air TV and telephone line-carried videotext, who shall control access to this system? The role of the information gatekeeper will become increasingly important.

We face this dilemma in looking at any new communications system. If we leave all access decisions to the system's owners and operators, we risk allowing controversial and unpopular ideas to be privately suppressed. But if the government has the power to determine access, we undercut the very freedom that has spurred us to explore new ways of communicating information better.

There may be a middle course -- one that other nations have chosen. Government could sit as an impartial umpire over videotext systems, assuring only that rates are regulated and access guaranteed to those who could meet the fair price. No one who controlled a transmission system would be allowed also to provide the data and programming transmitted. Those who performed the videotext programming function would have the rights of print publishers under the First Amendment.

Whether such an approach is proper is an open question, but a question that will soon force itself upon us. We must devote more of our imagination debating these broader communications issues, and many others like it. For the march of technology is relentless.

Videotext is only one of a series of technological leaps that will propel us toward a new age. We have seen glimpses of this future in the two-way cable television system being tested in Columbus, Ohio. While many have seen the admitted opportunities two-way cable presents, too few have thought seriously about the dangers it might offer.

For instance, consider the impact on our political system of the capacity to poll immediately every person in the country on national issues. We have seen the effect that polling has had already, using samples of only a few thousand. The immediate expression of an opinion by literally millions of people on an issue not fully developed or debated could have a dramatic and chilling effect on leadership in this country. For, after all, the form of government that has served this nation so well is republican--small r--and not wholly democratic--small d.

History is full of examples of unpopular decisions made by courageous political leaders--decisions that were ultimately proven correct. But what judgment could withstand the pressure of the instantaneously expressed, electronic opinion of many millions?

Today, our representative system allows time for reflection and debate, time for conscience and commitment to speak and to persuade. I doubt, for instance, that the Panama Canal treaties would ever have been ratified and the majority finally persuaded of the rightness of this decision if the earliest polls showing overwhelming opposition had been electronically confirmed by the instant feedback of fifty

million people. Would we have done the right thing in enacting the civil rights laws of the 1960's if the tide of popular opinion had been relayed on an electronic score board to legislators otherwise brave enough to stand for justice?

Can we preserve our system of self-government from the dangers of instant electronic democracy? Again, this is not a problem to leave to the FCC. It is time for all of us as citizens to devote our imagination to this challenge.

The new technology will not only provide the possibility of replacing reflection with whimsey in national affairs. The invasions can be of a very personal nature.

What is more important than assuring individual privacy in this new age? If these new technologies enter our homes, detail our finances and deliver our mail; if they serve as our burglar and fire alarms; if they can meter our purchases and record the information we choose to retrieve and the entertainment we choose to watch or the government official we choose not to; if they reveal who our friends are and are not and what we say to them--and if they are, most importantly, linked together in one brave new information empire--they can become the vehicle for stripping us of our privacy, our freedom and our dignity.

The history of repression has been interwoven with the history of technology. There was wire-tapping almost as soon as there were telephones to be tapped. But in the future, significant facts about every American could be available by gaining access to just one or two giant computers.

Should our right to be let alone be entrusted solely to the marketplace? Or should we rely on government to set and enforce standards--to preserve the spirit of the Bill of Rights during an era when our privacy could fall victim to our own inventive genius? These questions demand the very best of our imagination.

I hope you will not confuse my searching apprehension for pessimism. I do not believe the FCC should stand in the way of these developments. Our efforts must be directed instead towards identifying in advance the problems they may present.

In fact, I am very excited by the prospects of the new technology, because I see it as a way out of the stalemate that has, in many ways, retarded full realization of electronic communications' early promise.

Television is a good example of a medium that may well blossom as technological advances provide a new spur to competition and renewed innovation. As more programming and advertising sources find new outlets and markets for their products, through cable or satellites or even video discs, a new television, one characterized by greater diversity and creativity, rather than caution and imitation, will emerge.

This prospect for better service through greater competition is an emerging reality throughout the communications field, from telephones and telegraphs to mobile phones and radio stations. The public interest is being furthered as service providers scramble to be the first to develop a better way.

No wonder, then,that I hold great hope and enthusiasm for the potential for fundamental change through technological progress throughout the communications industry. But the statutory duty of the FCC requires more from me than hope and optimism. My view of the future is tempered by an awareness of its dangers.

The merging of print, broadcast, mobile and common carrier communications services offers challenges and deep questions, questions about national purposes and the direction those purposes will lead us. We must master technology or technology will be the master of us.

It is time to devote not only our time but our imagination to these questions. The way all of us answer them will tell us a great deal about the kind of society we will have in the future.